



SHAREHOLDER UPDATE

10th October 2006

Dear Shareholder,

We are pleased to announce that the board of New Millennium is pursuing the acquisition of diversified assets for the Company. Whilst maintaining our interest in diamonds in Angola, we are considering a number of base metal opportunities in the Democratic Republic of Congo (DRC).

It is our opinion that the Company's exposure to a single resource, diamonds, in one country, Angola, is placing the company at a distinct disadvantage in takeover negotiations. Clearly the number of prospective suitors is severely limited when we are exposed to diamonds alone.

Our previously announced negotiations with a prospective suitor has broken down over price. The board is committed to retaining shareholder value and ensuring that US\$0.02 (£0.011) per share is achieved.

The Board is committed to maximising shareholder value, not sacrificing it. We are therefore moving forward to enhance the company's attractiveness to takeover by diversification. The assets we have before us are copper/ cobalt/ gold concessions in the DRC. Copper and Cobalt are both high demand base metals which have experienced substantial price increases over the past twelve months.

We are also negotiating a joint venture arrangement with an operator to fund the project. The payout will be by way of a workout agreement therefore preventing dilution of shareholders stock. These actions are in preparation for a takeover and application for AIM listing by the acquiring entity. We anticipate that we will have progressed towards finality prior to Christmas and will provide you with a further update within the next 90 days.

It remains the Board's intention to sell the Company's assets and distribute the proceeds in-specie to shareholders. The Board is committed to this end. Furthermore I have given my assurance to the Board that I shall see this to a successful conclusion which I am confident will be resolved in the not too distant future.

Yours faithfully

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CEO

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